



State of Louisiana

Department of Health and Hospitals

Center for Preventive Health

May 3, 2010

TO: WIC AUTHORIZED VENDORS

FROM: TRICIA GUIDROZ, MA
LA WIC VENDOR MANAGER

RE: NOT TO EXCEED PRICES (NTEs)

A handwritten signature in blue ink, appearing to be "TG" or similar initials, written over the "FROM:" line.

This correspondence is being provided to all WIC Authorized Vendors in reference to the Program's recent update to its methodology in calculating Not to Exceed Prices (NTEs). These NTEs will be used to determine if a food instrument (FI) will be paid or rejected due to "Exceeds Dollar Limit" or "Over Max \$ Amount". Rejected FIs submitted to the WIC Program for reimbursement will be reviewed and adjustments may be made to the expected amount requested based on these recent changes.

The Program has historically utilized a calculating process that was not fully automated to determine NTEs. The Program has completed the process of implementing a fully automated system that will assign NTEs for every FI redeemed. As a result, you may encounter having more FIs rejected. In these cases, you will be asked to reduce the price(s) you are charging the WIC Program for the food items in question. Reimbursement of FIs rejected for "Exceeds Dollar Limit" or "Over Max \$ Amount" will only be approved for up to the NTE price as assigned by the automated system.

All information printed on each food instrument issued to WIC participants is uploaded to the Program's contracted banking system nightly. Once the FIs are redeemed and deposited, the contracted banking system returns data to the Program that is specific to each FI. This data includes the Vendor number of where the FI was redeemed, the vendor's assigned tier, the valid month/year of the FI, the food items printed on the FI and the NTE for each FI. Each vendor has been assigned to be in one of the Program's seven (7) tiers. Tier assignments are based on Vendor location and WIC redemption.

The NTEs for the Cash Value Vouchers (CVV) will continue to be as they currently are. Each CVV has a dollar amount printed on it ranging from \$6.00 to \$15.00; that amount is the NTE. If a CVV is redeemed for more than the amount printed on it, the CVV will be rejected. All reimbursement claims for CVVs will only be paid up to the NTE of the CVV. Please remember that WIC participants must be permitted to pay the difference if the value of the fruits and vegetables they select exceeds the printed NTE on the CVV.

Please remember that the NTE is the maximum amount for which the FI and CVV may be redeemed and reimbursed. It is not the price that Vendors should use to determine or set their shelf price(s) for supplemental food items. Setting the shelf price for food items to maximize the opportunity to redeem FIs at the NTE rate could jeopardize a Vendor's authorization.

Additionally, WIC participants are required to purchase the full quantity of the food item(s) specified on the FI. Vendors must not request that participants take less food if the price exceeds the NTE for the FI in question.

If you should have any questions regarding this matter, please feel free to contact us at (504) 361-6725.